


MEMO

DATE: May 16, 2006

TO: Administration Committee
Regional Council

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SUBJECT: Responses to SCAG Request for Proposal (RFP) Solicitations

SUMMARY:

At the March 2, 2006 Regional Council Meeting a question was raised regarding the number of contract proposals that are being received in response to Request for Proposals. An open and fair contracting process is critical to ensure a highly competitive procurement environment. This is a continual concern of the staff and requires constant monitoring and innovation to make sure it happens.

To respond to the question raised, we reviewed each RFP with a budget over \$25,000 that was released from July 1, 2005 through March 8, 2006. For each RFP, a correspondence was sent to ten firms (chosen randomly) from SCAG's prospective bidders' list (individuals that downloaded the RFP from SCAG's bid management system), or from SCAG's vendor database for those RFPs that were released prior to the implementation of SCAG's new bid management system.

The correspondence was an open-ended request which stated that SCAG was seeking feedback for improving the RFP process and requested assistance from each firm by asking them to provide the reason(s) for not submitting a proposal in response to the RFP. The firms were informed that all responses would be kept confidential. We received a variety of responses and categorized them in the table under the attached Summary of Responses.

There were 20 RFPs issued during the period selected. We requested feedback from 199 firms that were on the bidders list for the various RFPs and did not submit a proposal. We received 92 responses from 80 firms (some firms gave more than one reason for not bidding). More than one-half of the reasons for not submitting a proposal were because the firms lacked staff/resources or required expertise. Twelve percent felt there was insufficient time to respond to the RFP. Ten percent of the responses indicated there was insufficient budget, they could not meet the project schedule, or they did not agree with the terms and conditions of the contract. These account for nearly eighty percent of the total responses received. Significantly, only one firm felt the "winner" was pre-determined. One additional firm did not submit a proposal due to the "players" for the project. While this statistically is a low number, we prefer that not even one firm believe that the process was pre-determined and we will do everything in our power to ensure total and complete fairness and open competition.

We will update the SCAG Project Manager Manual to strengthen language regarding preparation of scopes of work and to reiterate the seriousness of not overtly or inadvertently influencing the bidding process.

The attached Summary of Responses contains the results of the responses.

BACKGROUND:

After reviewing the results of the responses, it was determined that over fifty-six percent of the responses received stated that a proposal was not submitted due to their firm not having sufficient staff/resources or the required expertise. Many of these firms were committed to other projects, and at the time, did not have the additional resources necessary to prepare a proposal, or were unable to commit to the project schedule. We understand that many of the firms in SCAG's database are small businesses and do not have the required expertise or capabilities to be the prime consultant. They have expressed interest in being a subconsultant to a prime. Often many of the large firms already have their own team of subconsultants but we encourage all firms to attend the pre-bid conference to allow primes and subs to meet. When feasible, we separate projects into smaller components to accommodate small firms so that they are able to bid on SCAG projects.

We were pleased to see that only three out of ninety-two firms stated that a project appeared problematic or the Scope of Work was too vague. SCAG holds pre-bid meetings to provide new or updated solicitation information, provide clarification regarding the RFP package, and answer general questions regarding proposal preparation. All prospective bidders are encouraged to attend the pre-bid meetings to ask questions and request clarification on the technical aspects of the Scope of Work. The questions and answers from the pre-bid meetings are posted on SCAG's bid management system under the corresponding RFP so that all prospective bidders are provided the same information in order to be responsive to the solicitation.

SCAG's solicitations for projects over \$25,000 are publicized for a minimum of four weeks. Twelve percent of the respondents expressed concern that there was insufficient time to respond to a solicitation. We believe that four weeks is reasonable when balanced against the need to move the projects expeditiously and is a standard for governmental agencies. Effective May 1, 2006, the Department of Transportation revised its Disadvantaged Business Enterprise (DBE) Program from a Race-Conscious Program (solicitations with a DBE goal) to Race-Neutral Program (solicitations with no goal). We make no value judgments about the merits of the revised requirement but it should reduce the time required to bid on RFPs by all vendors and possibly encourage more bidding.

Only two firms stated that SCAG's contract terms and conditions prevented them from responding to a solicitation. Our contract terms and conditions are in accordance with federal and state requirements, and as such, flexibility for negotiation is limited. We are always open to discussing concerns of the provisions, and on a project-by-project basis, we have modified the contract terms and conditions where it allowable and appropriate.

An insufficient budget for a project can be problematic especially for those vendors that have not done business with SCAG or other government agencies. It takes an investment in time and resources to become familiarized with federal and state requirements. Small firms in particular must make a conscious decision to gain the expertise needed to propose on government projects. In addition, there is an issue of becoming familiarized with information from past projects, whereas the firms that have done business with SCAG in the past may not need additional time or resources to research various aspects of a prior project. When possible, SCAG staff provides data and reports that are needed from past projects to lessen the burden for potential bidders.

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In addition to the above, during staff attendance at the 2006 Planning Conference in San Antonio, Texas, we were informed by three different firms that there is a perception that SCAG “wires” projects so that the contract is awarded to specific firms. We have taken these comments seriously and we will inform all SCAG staff that the Scope of Work for all projects are to be written in manner that does not give one consultant a competitive advantage over another consultant, or in a way that is geared to the expertise exclusively of one firm. Also, to preclude any conflict, we will update the SCAG Project Manager Manual to clarify that the scope of work must not be prepared by a consultant unless that consultant has a contractual agreement with SCAG to develop the scope of work and they would then be precluded from bidding on that project. We will reinforce with staff the importance and seriousness of not purposely, or inadvertently, influencing the bidding process to impact the competitive nature of our procurements.

CONCLUSION:

Within the last two years, we have taken numerous steps to encourage competition in bidding for SCAG contracts:

1. In Fiscal Year 04-05, we updated our vendor/consultant database. A letter was mailed to each entity in SCAG’s current vendor/consultant database requesting an update to their profile, including the indication of their company’s appropriate business interests or areas of expertise. This was done to ensure that we had current contact information and gave us an opportunity to update their area of expertise.
2. We increased our outreach efforts by attending various vendor conferences. We staffed a booth at the LA Greater Vendor Fair 2005 at the Los Angeles Convention Center, OCTA Small Business Conference & Vendor Fair at the Disneyland Hotel, U.S. DOT’s 1st Regional DBE Economic Summit/Conference in Oakland, and Alliance West Small Business Procurement Fair at the Riverside Convention Center. In April 2006 we staffed a booth at the 2006 Planning Conference in San Antonio, Texas. We intend on continuing our outreach efforts by attending future conferences and vendor fairs.
3. In October 2005, SCAG implemented a new bid management system. The new system provides automatic bid alert notification and distribution of key notices via email for each new solicitation. Vendors and consultants no longer have to wait for a postcard announcement in the mail or have to continuously check SCAG’s website for RFP postings. Interested firms simply register their profile to receive automatic notification of RFP solicitations that meet their chosen business categories.
4. We have begun advertising all planning solicitations on The Urban Transportation Monitor and the American Planning Association websites to reach a greater number of firms in the planning industry.

We rely heavily on outside consultants and vendors to help accomplish the overall mission and objectives of the Association, we are committed to continuously improve the breadth and depth of talent in our pool of potential consultants and vendors.

ATTACHMENT

Summary of Responses

RFPs Surveyed:

RFP No.	Project Title	Project Budget	No. of Firms Notified of Solicitation	No. of Firms that Downloaded the RFP	No. of Proposals Received	No. of Subconsultants under Prime Contract
06-052	Sun Valley Transit Study	\$ 40,500	407	48	6	Unknown Award Pending
06-040	WRCOG Infill Capacity	\$ 44,265	350	34	3	1
06-051	Smart Growth/Mixed Use Study for Piru Community	\$ 44,265	350	46	2	2
06-046	Imperial County Cross-Border Survey	\$ 47,704	176	24	3	2
06-036	Model Networking Database Mgmt.	\$ 50,000	80	Unknown – Bid Management System not Implemented at that time	1	1
06-061	IRIS Needs Assessment/Feasibility Study	\$ 50,000	577	22	0	0
06-038	Vision Coachella Valley Study	\$ 64,970	163	33	3	1
06-044	Ventura County Transportation Model Improvement	\$ 66,397	112	35	3	1
06-057	Downtown Parking Data Collection Model	\$ 66,397	135	36	2	1
06-041	Grand Boulevard Development	\$ 70,824	127	28	2	1
06-048	Regional Airport Mgmt. Implementation...	\$ 75,000	263	39	1	0
06-045	Arroyo Verdugo – Subregional Travel Demand Forecasting Model	\$100,000	84	28	2	Unknown Award Pending
06-047	Aviation Capacity Forecasting Study	\$125,000	64	26	2	0
06-054	Regional Comprehensive Plan – Financial	\$350,000	468	38	2	2
06-049	Maglev System Design	\$400,000	313	78	3	7
06-043	Environmental Mitigation Plan for Goods Movement	\$450,000	356	79	6	3
06-055	Port & Model Elasticity Study – Phase II	\$500,000	396	43	2	5
06-053	Regional Environ. Mitigation... (Open Space)	\$519,434	670	41	2	2
06-035	RTP/RCP EIR Project	\$700,000	142	Unknown – Bid Management System not Implemented at that time	1	6
06-017	Update of the RTP	\$1,280,000	287	Unknown – Bid Management System not Implemented at that time	1	8

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Responses:

RFP No.	Project Title	No. of Firms Contacted	No. of Firms Responded	No. of Responses	Response(s) (see legend key below)
06-052	Sun Valley Transit Study	10	3	3	A, B, E
06-040	WRCOG Infill Capacity	10	4	4	A, A, F, O (Contact person in SCAG's database is no longer with company)
06-051	Smart Growth/Mixed Use Study of Piru...	10	3	3	A, E, F
06-046	Imperial County Cross-Border Survey	10	1	1	E
06-036	Model Networking Database Mgmt.	10	3	3	A, B, B
06-061	IRIS Needs Assessment/Feasibility Study	10	8	9	A, E, E, E, E, F, O, O, O (Located out of CA; interested in implementation portion of project; and unaware of project)
06-038	Vision Coachella Valley Study	10	4	4	A, A, B, H,
06-044	Ventura County Transportation Model Improvement	10	3	3	F, G, M
06-057	Downtown Parking Data Collection Model	10	2	2	B, B
06-041	Grand Boulevard Development	10	4	5	A, B, G, G, O (Family illness)
06-048	Regional Airport Mgmt. Implementation...	10	3	6	A, A, A, E, I, K
06-045	Arroyo Verdugo – Subregional Travel Demand Forecasting Model	10	2	2	A, O (Located too far away from project location)
06-047	Aviation Capacity Forecasting Study	10	1	1	B
06-054	Regional Comprehensive Plan – Financial	10	10	10	A, A, A, A, B, B, B, B, B, O (Family illness)
06-049	Maglev System Design	10	10	15	A, A, A, A, A, B, B, B, B, B, B, E, J, K, O (RFP too much trouble to access; and bid not submitted due to existing “players” for this project)
06-043	Environmental Mitigation Plan for Goods Movement	10	2	2	D, O (Already working on similar project for MTA, so decided not to bid on this one)
06-055	Port & Model Elasticity Study – Phase II	10	3	4	B, B, L, M
06-053	Regional Environ. Mitigation... (Open Space)	10	5	6	A, B, E, E, K, O (Don't have local firm competitiveness)
06-035	RTP/RCP EIR Project	10	2	2	A, B
06-017	Update of the RTP	9	7	7	A, A, A, A, A, A, C
Total		199	80	92	

Summary:

		Total	% of Total
A	Insufficient Staff/Resources	29	31.5%
B	Do not have Required Expertise	23	25.0%
C	Project Appeared Problematic/Unorganized	1	1.1%
D	Scope of Work too Vague	2	2.2%
E	Insufficient Time to Respond to Bid	11	11.9%
F	Insufficient Budget for the Project	4	4.3%
G	Unable to Meet Project Schedule	3	3.2%
H	DBE Requirements too Laborious	1	1.1%
I	Conflict of Interest Issues	1	1.1%
J	Feel Winner is Pre-Determined	1	1.1%
K	Unable to Team-Up with a Prime	3	3.2%
L	Not Awarded Contract in the Past	1	1.1%
M	Contract Terms & Conditions	2	2.2%
O	Other	10	10.9%
	TOTAL	92	100%

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